



CITY OF DURHAM | NORTH CAROLINA

**Date:** April 19, 2011

**To:** Thomas J. Bonfield, City Manager

**Through:** Theodore L. Voorhees, Deputy City Manager  
Donald F. Greeley, Director, Water Management

**From:** Jerry F. Morrone, Engineering Supervisor, Water Management  
Bryant J. Green, Civil Engineer III, Water Management

**Subject:** 2011 Commercial Meter Replacement Project Phase I – Centurion Construction Company, Inc. (Contract MR-5)

**Executive Summary:**

The Department of Water Management received bids on Thursday, March 31<sup>st</sup> for Contract MR-5, Commercial Meter Replacement Project, Phase I. The proposed project consists of upgrading 360 manual-read commercial water meters to new remote-read meters and upgrading the services to allow for meter testing and removal. This project is the first phase of the Commercial Meter Replacement Program, which will replace a total of approximately 2800 commercial meters. A total of 3 bids were received, with Centurion Construction Company, Inc. being the lowest responsive and responsible bidder.

**Recommendations:**

The Department recommends that the City Council:

1. Authorize the City Manager to execute a contract with Centurion Construction Company, Inc. for the MR-5 Commercial Meter Replacement Project for \$1,528,394.07.
2. Establish a contingency fund for the contract in the amount of \$150,000 and
3. Authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders does not exceed \$150,000 and the total project cost does not exceed \$1,678,394.07.

**Background:**

The Commercial Meter Replacement Program is part of the City's Automated Meter Reading (AMR) project to replace all residential and commercial manual-read meters with remote-read meters. Once fully implemented, both the City and the customer will benefit from the following:

- A higher level of customer service and responsiveness.
- Quicker detection and repair of leaks in customers' facilities.
- Savings of thousands of gallons of potable water lost to leakages.
- Increased ability to detect malfunctioning or tampered meters and provide immediate corrective action.

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- Ability to instantly analyze flow data transmitted by the meter.
- Move to monthly billing for all customers to provide a more stable revenue stream while allowing customers to better monitor and budget their utility costs.
- Enable City forces to read 80,000 plus accounts
- Significantly reduce on the job injuries by this portion of the workforce.

This project is the first phase of the AMR Commercial Meter Replacement Program and will replace 360 meters in the system.

The Commercial Meter Replacement Program also includes the upgrade of the existing meter vaults to allow for more efficient testing, calibration and removal of the installed meters. Pending Council approval of this contract award, staff plans to issue the notice to proceed for Phase I mid-May, with an early June start date for installation.

### **Issues and Analysis:**

The Department of Water Management formally advertised this project for bid on March 1<sup>st</sup>, 2011. The project was bid as a unit price bid. Three bids were received and opened on Thursday, March 31<sup>st</sup>. The bid results are:

Vanguard Utility Service, Inc	\$ 1,499,752.25
Centurion Construction Company, Inc.	\$ 1,528,394.07*
TA Loving Company	\$ 2,132,800.00

\* Lowest responsible and responsive bidder.

The base bid is consistent with the engineer's estimate and within the budget allocated for this phase of the program.

### **Alternatives:**

Alternative 1: Do not enter in to a contract with Centurion Construction Company, Inc. and attempt to replace all of the meters with City crews. The City's crews are already committed to other assignments in the City. Using City crews will also take significantly longer and will necessitate the purchase and storage of 360 water meters as well as associated appurtenances such as meter vaults, setters and valves.

### **Financial Impacts:**

Funds for this contract are budgeted in the Water Distribution System Rehabilitation Project in the City's Capital Improvement Program as well as the operating budget of the Meter Maintenance Division. There are currently funds available for this contract:

Construction: 4100P007-731000-P0BM5 - \$973,100.07  
                   5100P605-720400 - \$555,294.00  
 Contingency: 4100P007-731900-P0BM5 - \$150,000.00

### **SDBE Summary:**

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Centurion Construction Company, Inc., Raleigh, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City

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Contracting. The goals for this project are MSDBE 1% and WSDBE 0%. It was determined that Centurion Construction Company, Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

### **SDBE REQUIREMENTS**

Centurion Construction Company, Inc. will subcontract to the following certified firm:

<b>Firm</b>	<b>ID</b>	<b>City/State</b>	<b>Amount</b>	<b>% of Contract</b>
Busy Black Trucking, LLC	MSDBE	Durham, NC	\$15,000	1%

The MSDBE goal was met. There was no WSDBE goal.

### **WORKFORCE STATISTICS**

The workforce statistics for Centurion Construction Company, Inc. are as follows:

Total Workforce	69	
Total Females	8	12%
Total Males	61	88%
Black Males	2	3%
White Males	35	51%
Other Males	24	34%
Black Females	0	0%
White Females	8	12%
Other Females	0	0%